



ANNUAL STATEMENT
For the Year Ending December 31, 2013
OF THE CONDITION AND AFFAIRS OF THE
HealthPlus of Michigan, Inc.

NAIC Group Code	3409 (Current Period)	3409 (Prior Period)	NAIC Company Code	95580	Employer's ID Number	38-2160688
Organized under the Laws of	Michigan		State of Domicile or Port of Entry	Michigan		
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health[] Dental Service Corporation[] Other[]		Property/Casualty[] Vision Service Corporation[] Is HMO Federally Qualified? Yes[X] No[] N/A[]		Hospital, Medical & Dental Service or Indemnity[] Health Maintenance Organization[X]	
Incorporated/Organized	08/09/1977		Commenced Business	10/15/1979		
Statutory Home Office	2050 South Linden Road (Street and Number)		Flint, MI, 48532 (City or Town, State, Country and Zip Code)			
Main Administrative Office			2050 South Linden Road (Street and Number)			
	Flint, MI, 48532 (City or Town, State, Country and Zip Code)		(800)332-9161 (Area Code) (Telephone Number)			
Mail Address	2050 South Linden Road, P.O. Box 1700 (Street and Number or P.O. Box)		Flint, MI, 48501-1700 (City or Town, State, Country and Zip Code)			
Primary Location of Books and Records			2050 South Linden Road (Street and Number)			
	Flint, MI, 48532 (City or Town, State, Country and Zip Code)		(800)332-9161 (Area Code) (Telephone Number)			
Internet Website Address	www.healthplus.org					
Statutory Statement Contact	Ryan Joseph O'Roark (Name)		(810)230-2179 (Area Code)(Telephone Number)(Extension)			
	roroak@healthplus.com (E-Mail Address)		(810)733-8966 (Fax Number)			

OFFICERS

Name	Title
Bruce Roberts Hill	President
Ryan Joseph O'Roark	Chief Financial Officer #
Roger LaVerne Sharp	Treasurer

OTHERS

Nancy Susan Jenkins, Vice President - Sales and Marketing
Michael Genord M.D., M.B.A., Vice President, Chief Medical Officer #
Milton Patrick McClurkan Jr., Vice President and Chief Operating Officer #

DIRECTORS OR TRUSTEES

Jack Louis Barry MD Duane Edward Zuckschwerdt Steven Craig Worden Christopher John Flores Larry Leigh Carr DO Miles Conrad Owens Franz Michael Jaggi DO Thomas Svitkovich	Vernon Lee Burns Peggy Joyce Tortorice Stephanie Lynn Whisiker-Lewis DO Patrick Allen Campbell Roger LaVerne Sharp Norwood Heselbach Jewell Randy D. Hicks MD
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State of Michigan
County of Genesee ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature) Bruce Roberts Hill (Printed Name) 1. President (Title)	(Signature) Ryan Joseph O'Roark (Printed Name) 2. Chief Financial Officer (Title)	(Signature) Roger LaVerne Sharp (Printed Name) 3. Treasurer (Title)
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Subscribed and sworn to before me this day of , 2014	a. Is this an original filing? b. If no, 1. State the amendment number 2. Date filed 3. Number of pages attached	Yes[X] No[] 0 0
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(Notary Public Signature)

ASSETS

		Current Year			Prior Year
		1	2	3	4
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols.1-2)	Net Admitted Assets
1.	Bonds (Schedule D)	0	0	0	0
2.	Stocks (Schedule D)				
2.1	Preferred stocks	0	0	0	0
2.2	Common Stocks	72,747,334	0	72,747,334	72,991,587
3.	Mortgage loans on real estate (Schedule B):				
3.1	First liens	0	0	0	0
3.2	Other than first liens	0	0	0	0
4.	Real estate (Schedule A):				
4.1	Properties occupied by the company (less \$.....0 encumbrances)	4,069,666	0	4,069,666	4,359,392
4.2	Properties held for the production of income (less \$.....0 encumbrances)	0	0	0	0
4.3	Properties held for sale (less \$.....0 encumbrances)	0	0	0	0
5.	Cash (\$.....11,753,146, Schedule E Part 1), cash equivalents (\$.....0, Schedule E Part 2) and short-term investments (\$.....48,092,217, Schedule DA)	59,845,363	0	59,845,363	79,825,691
6.	Contract loans (including \$.....0 premium notes)	0	0	0	0
7.	Derivatives (Schedule DB)	0	0	0	0
8.	Other invested assets (Schedule BA)	0	0	0	0
9.	Receivables for securities	0	0	0	0
10.	Securities Lending Reinvested Collateral Assets (Schedule DL)	0	0	0	0
11.	Aggregate write-ins for invested assets	0	0	0	0
12.	Subtotals, cash and invested assets (Lines 1 to 11)	136,662,363	0	136,662,363	157,176,670
13.	Title plants less \$.....0 charged off (for Title insurers only)	0	0	0	0
14.	Investment income due and accrued	335,866	0	335,866	434,865
15.	Premiums and considerations:				
15.1	Uncollected premiums and agents' balances in the course of collection	4,178,905	1,325	4,177,580	6,370,438
15.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums)	0	0	0	0
15.3	Accrued retrospective premiums	4,000,000	0	4,000,000	2,900,000
16.	Reinsurance:				
16.1	Amounts recoverable from reinsurers	14,939	0	14,939	150,000
16.2	Funds held by or deposited with reinsured companies	0	0	0	0
16.3	Other amounts receivable under reinsurance contracts	0	0	0	0
17.	Amounts receivable relating to uninsured plans	592,039	0	592,039	400,094
18.1	Current federal and foreign income tax recoverable and interest thereon	0	0	0	0
18.2	Net deferred tax asset	0	0	0	0
19.	Guaranty funds receivable or on deposit	0	0	0	0
20.	Electronic data processing equipment and software	5,695,050	4,654,093	1,040,957	1,412,872
21.	Furniture and equipment, including health care delivery assets (\$.....0)	773,564	773,564	0	0
22.	Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0	0
23.	Receivables from parent, subsidiaries and affiliates	1,055,886	0	1,055,886	709,540
24.	Health care (\$.....7,657,641) and other amounts receivable	7,705,434	47,793	7,657,641	5,305,300
25.	Aggregate write-ins for other than invested assets	1,592,688	1,592,688	0	0
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	162,606,734	7,069,463	155,537,271	174,859,779
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0	0
28.	Total (Lines 26 and 27)	162,606,734	7,069,463	155,537,271	174,859,779
DETAILS OF WRITE-INS					
1101.	.....	0	0	0	0
1102.	.....	0	0	0	0
1103.	.....	0	0	0	0
1198.	Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199.	TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501.	Prepaid Expenses	1,592,688	1,592,688	0	0
2502.	.....	0	0	0	0
2503.	.....	0	0	0	0
2598.	Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	1,592,688	1,592,688	0	0

LIABILITIES, CAPITAL AND SURPLUS

		Current Year			Prior Year
		1	2	3	4
		Covered	Uncovered	Total	Total
1.	Claims unpaid (less \$.....0 reinsurance ceded)	45,982,524	0	45,982,524	49,601,205
2.	Accrued medical incentive pool and bonus amounts	11,854,251	0	11,854,251	16,102,985
3.	Unpaid claims adjustment expenses	618,022	0	618,022	608,150
4.	Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act	58,444	0	58,444	516,007
5.	Aggregate life policy reserves	0	0	0	0
6.	Property/casualty unearned premium reserves	0	0	0	0
7.	Aggregate health claim reserves	0	0	0	0
8.	Premiums received in advance	2,026,306	0	2,026,306	2,016,532
9.	General expenses due or accrued	6,673,318	0	6,673,318	7,131,353
10.1	Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses))	0	0	0	0
10.2	Net deferred tax liability	0	0	0	0
11.	Ceded reinsurance premiums payable	0	0	0	0
12.	Amounts withheld or retained for the account of others	121,287	0	121,287	97,167
13.	Remittances and items not allocated	0	0	0	0
14.	Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current)	0	0	0	0
15.	Amounts due to parent, subsidiaries and affiliates	3,377,154	0	3,377,154	2,563,699
16.	Derivatives	0	0	0	0
17.	Payable for securities	0	0	0	0
18.	Payable for securities lending	0	0	0	0
19.	Funds held under reinsurance treaties (with \$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers)	0	0	0	0
20.	Reinsurance in unauthorized and certified (\$.....0) companies	0	0	0	0
21.	Net adjustments in assets and liabilities due to foreign exchange rates	0	0	0	0
22.	Liability for amounts held under uninsured plans	108,925	0	108,925	156,103
23.	Aggregate write-ins for other liabilities (including \$.....21,152 current)	258,013	0	258,013	144,807
24.	TOTAL Liabilities (Lines 1 to 23)	71,078,244	0	71,078,244	78,938,008
25.	Aggregate write-ins for special surplus funds	X X X	X X X	0	0
26.	Common capital stock	X X X	X X X	0	0
27.	Preferred capital stock	X X X	X X X	0	0
28.	Gross paid in and contributed surplus	X X X	X X X	170,511	170,511
29.	Surplus notes	X X X	X X X	0	0
30.	Aggregate write-ins for other than special surplus funds	X X X	X X X	0	0
31.	Unassigned funds (surplus)	X X X	X X X	84,288,516	95,751,260
32.	Less treasury stock, at cost:				
32.1	.....0 shares common (value included in Line 26 \$.....0)	X X X	X X X	0	0
32.2	.....0 shares preferred (value included in Line 27 \$.....0)	X X X	X X X	0	0
33.	TOTAL Capital and Surplus (Lines 25 to 31 minus Line 32)	X X X	X X X	84,459,027	95,921,771
34.	TOTAL Liabilities, Capital and Surplus (Lines 24 and 33)	X X X	X X X	155,537,271	174,859,779
DETAILS OF WRITE-INS					
2301.	Other Current Liabilities	21,152	0	21,152	53,488
2302.	Other Post-employment Benefits Obligation	236,861	0	236,861	91,319
2303.	.....	0	0	0	0
2398.	Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	258,013	0	258,013	144,807
2501.	.....	X X X	X X X	0	0
2502.	.....	X X X	X X X	0	0
2503.	.....	X X X	X X X	0	0
2598.	Summary of remaining write-ins for Line 25 from overflow page	X X X	X X X	0	0
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	X X X	X X X	0	0
3001.	.....	X X X	X X X	0	0
3002.	.....	X X X	X X X	0	0
3003.	.....	X X X	X X X	0	0
3098.	Summary of remaining write-ins for Line 30 from overflow page	X X X	X X X	0	0
3099.	TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above)	X X X	X X X	0	0

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member Months	X X X	911,335	894,276
2.	Net premium income (including \$.....0 non-health premium income)	X X X	490,400,752	505,081,873
3.	Change in unearned premium reserves and reserve for rate credits	X X X	0	0
4.	Fee-for-service (net of \$.....0 medical expenses)	X X X	0	0
5.	Risk revenue	X X X	0	0
6.	Aggregate write-ins for other health care related revenues	X X X	0	0
7.	Aggregate write-ins for other non-health revenues	X X X	0	0
8.	TOTAL Revenues (Lines 2 to 7)	X X X	490,400,752	505,081,873
Hospital and Medical:				
9.	Hospital/medical benefits	0	365,405,260	341,697,205
10.	Other professional services	0	0	0
11.	Outside referrals	0	0	0
12.	Emergency room and out-of-area	0	20,791,752	19,323,066
13.	Prescription drugs	0	47,579,143	67,984,326
14.	Aggregate write-ins for other hospital and medical	0	4,562	40,513
15.	Incentive pool, withhold adjustments and bonus amounts	0	12,517,787	17,219,734
16.	Subtotal (Lines 9 to 15)	0	446,298,504	446,264,844
Less:				
17.	Net reinsurance recoveries	0	(90,993)	204,400
18.	TOTAL Hospital and Medical (Lines 16 minus 17)	0	446,389,497	446,060,444
19.	Non-health claims (net)	0	0	0
20.	Claims adjustment expenses, including \$.....5,504,231 cost containment expenses	0	9,267,265	7,930,492
21.	General administrative expenses	0	45,850,278	42,472,933
22.	Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only)	0	58,444	516,007
23.	TOTAL Underwriting Deductions (Lines 18 through 22)	0	501,565,484	496,979,876
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	(11,164,732)	8,101,997
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17)	0	1,695,610	1,576,408
26.	Net realized capital gains (losses) less capital gains tax of \$.....0	0	2,250,829	512,394
27.	Net investment gains (losses) (Lines 25 plus 26)	0	3,946,439	2,088,802
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)]	0	0	0
29.	Aggregate write-ins for other income or expenses	0	253,143	3,802
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	(6,965,150)	10,194,601
31.	Federal and foreign income taxes incurred	X X X	0	0
32.	Net income (loss) (Lines 30 minus 31)	X X X	(6,965,150)	10,194,601
DETAILS OF WRITE-INS				
0601.	.....	X X X	0	0
0602.	.....	X X X	0	0
0603.	.....	X X X	0	0
0698.	Summary of remaining write-ins for Line 6 from overflow page	X X X	0	0
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X	0	0
0701.	.....	X X X	0	0
0702.	.....	X X X	0	0
0703.	.....	X X X	0	0
0798.	Summary of remaining write-ins for Line 7 from overflow page	X X X	0	0
0799.	TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above)	X X X	0	0
1401.	Other Medical Expense	0	4,562	40,513
1402.	.....	0	0	0
1403.	.....	0	0	0
1498.	Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	0	4,562	40,513
2901.	Other Revenue	0	253,143	3,802
2902.	.....	0	0	0
2903.	.....	0	0	0
2998.	Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999.	TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above)	0	253,143	3,802

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year	Prior Year
CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	95,921,771	96,107,278
34.	Net income or (loss) from Line 32	(6,965,150)	10,194,601
35.	Change in valuation basis of aggregate policy and claim reserves	0	0
36.	Change in net unrealized capital gains (losses) less capital gains tax of \$.....0	(2,479,969)	(9,725,342)
37.	Change in net unrealized foreign exchange capital gain or (loss)	0	0
38.	Change in net deferred income tax	0	0
39.	Change in nonadmitted assets	(1,432,641)	(1,351,395)
40.	Change in unauthorized and certified reinsurance	0	0
41.	Change in treasury stock	0	0
42.	Change in surplus notes	0	0
43.	Cumulative effect of changes in accounting principles	0	0
44.	Capital Changes:		
44.1	Paid in	0	0
44.2	Transferred from surplus (Stock Dividend)	0	0
44.3	Transferred to surplus	0	0
45.	Surplus adjustments:		
45.1	Paid in	0	0
45.2	Transferred to capital (Stock Dividend)	0	0
45.3	Transferred from capital	0	0
46.	Dividends to stockholders	0	0
47.	Aggregate write-ins for gains or (losses) in surplus	(584,984)	696,629
48.	Net change in capital and surplus (Lines 34 to 47)	(11,462,744)	(185,507)
49.	Capital and surplus end of reporting year (Line 33 plus 48)	84,459,027	95,921,771
DETAILS OF WRITE-INS			
4701.	Adjustment of 2011 Other Post-employment Benefit Obligation to statutory balance	0	732,407
4702.	Unrecognized Other Post-employment Benefit Obligation	(145,542)	(35,778)
4703.	Correction to prior-years EDP Equipment and Operating System Software depreciation ...	(439,442)	0
4798.	Summary of remaining write-ins for Line 47 from overflow page	0	0
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)	(584,984)	696,629

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance	491,044,496	502,808,714
2.	Net investment income	1,794,609	1,267,127
3.	Miscellaneous income	0	0
4.	Total (Lines 1 through 3)	492,839,105	504,075,841
5.	Benefit and loss related payments	456,564,322	447,372,434
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0
7.	Commissions, expenses paid and aggregate write-ins for deductions	53,114,539	47,958,135
8.	Dividends paid to policyholders	0	0
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)	0	0
10.	Total (Lines 5 through 9)	509,678,861	495,330,569
11.	Net cash from operations (Line 4 minus Line 10)	(16,839,756)	8,745,272
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds	0	13,342,254
12.2	Stocks	15,157,261	3,095,005
12.3	Mortgage loans	0	0
12.4	Real estate	0	0
12.5	Other invested assets	0	0
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments	32,474	0
12.7	Miscellaneous proceeds	0	0
12.8	Total investment proceeds (Lines 12.1 to 12.7)	15,189,735	16,437,259
13.	Cost of investments acquired (long-term only):		
13.1	Bonds	0	760,324
13.2	Stocks	15,174,621	29,160,726
13.3	Mortgage loans	0	0
13.4	Real estate	457,911	393,458
13.5	Other invested assets	0	0
13.6	Miscellaneous applications	0	0
13.7	Total investments acquired (Lines 13.1 to 13.6)	15,632,532	30,314,508
14.	Net increase (decrease) in contract loans and premium notes	0	0
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(442,797)	(13,877,249)
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes	0	0
16.2	Capital and paid in surplus, less treasury stock	0	0
16.3	Borrowed funds	0	0
16.4	Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5	Dividends to stockholders	0	0
16.6	Other cash provided (applied)	(2,697,775)	(821,514)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(2,697,775)	(821,514)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(19,980,328)	(5,953,491)
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year	79,825,691	85,779,182
19.2	End of year (Line 18 plus Line 19.1)	59,845,363	79,825,691

Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

20.0001	0	0
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ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

		1	2	3	4	5	6	7	8	9	10
		Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1.	Net premium income	490,400,752	264,826,294	0	0	0	19,663,450	205,911,008	0	0	0
2.	Change in unearned premium reserves and reserve for rate credit	0	0	0	0	0	0	0	0	0	0
3.	Fee-for-service (net of \$.....0 medical expenses)	0	0	0	0	0	0	0	0	0	X X X
4.	Risk revenue	0	0	0	0	0	0	0	0	0	X X X
5.	Aggregate write-ins for other health care related revenues	0	0	0	0	0	0	0	0	0	X X X
6.	Aggregate write-ins for other non-health care related revenues	0	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	0
7.	TOTAL Revenues (Lines 1 to 6)	490,400,752	264,826,294	0	0	0	19,663,450	205,911,008	0	0	0
8.	Hospital/medical benefits	365,405,260	176,553,322	0	0	0	14,248,873	174,603,065	0	0	X X X
9.	Other professional services	0	0	0	0	0	0	0	0	0	X X X
10.	Outside referrals	0	0	0	0	0	0	0	0	0	X X X
11.	Emergency room and out-of-area	20,791,752	14,253,135	0	0	0	1,305,103	5,233,514	0	0	X X X
12.	Prescription drugs	47,579,143	35,932,654	0	0	0	2,799,429	8,847,060	0	0	X X X
13.	Aggregate write-ins for other hospital and medical	4,562	4,562	0	0	0	0	0	0	0	X X X
14.	Incentive pool, withhold adjustments and bonus amounts	12,517,787	10,024,066	0	0	0	532,587	1,961,134	0	0	X X X
15.	Subtotal (Lines 8 to 14)	446,298,504	236,767,739	0	0	0	18,885,992	190,644,773	0	0	X X X
16.	Net reinsurance recoveries	(90,993)	(90,993)	0	0	0	0	0	0	0	X X X
17.	TOTAL Hospital and Medical (Lines 15 minus 16)	446,389,497	236,858,732	0	0	0	18,885,992	190,644,773	0	0	X X X
18.	Non-health claims (net)	0	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	0
19.	Claims adjustment expenses including \$.....5,504,231 cost containment expenses	9,267,265	5,856,748	0	0	0	471,656	2,938,861	0	0	0
20.	General administrative expenses	45,850,278	29,660,547	0	0	0	2,352,231	13,837,500	0	0	0
21.	Increase in reserves for accident and health contracts	58,444	0	0	0	0	0	58,444	0	0	X X X
22.	Increase in reserves for life contracts	0	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	0
23.	TOTAL Underwriting Deductions (Lines 17 to 22)	501,565,484	272,376,027	0	0	0	21,709,879	207,479,578	0	0	0
24.	Net underwriting gain or (loss) (Line 7 minus Line 23)	(11,164,732)	(7,549,733)	0	0	0	(2,046,429)	(1,568,570)	0	0	0
DETAILS OF WRITE-INS											
0501.	.....	0	0	0	0	0	0	0	0	0	X X X
0502.	.....	0	0	0	0	0	0	0	0	0	X X X
0503.	.....	0	0	0	0	0	0	0	0	0	X X X
0598.	Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	X X X
0599.	TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	X X X
0601.	.....	0	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	0
0602.	.....	0	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	0
0603.	.....	0	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	0
0698.	Summary of remaining write-ins for Line 6 from overflow page	0	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	0
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	0
1301.	Other Medical	4,562	4,562	0	0	0	0	0	0	0	X X X
1302.	.....	0	0	0	0	0	0	0	0	0	X X X
1303.	.....	0	0	0	0	0	0	0	0	0	X X X
1398.	Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	X X X
1399.	TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above)	4,562	4,562	0	0	0	0	0	0	0	X X X

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

		1	2	3	4
		Direct	Reinsurance	Reinsurance	Net Premium
Line of Business		Business	Assumed	Ceded	Income
					(Columns
					1 + 2 - 3)
1.	Comprehensive (hospital and medical)	265,275,359	0	449,065	264,826,294
2.	Medicare Supplement	0	0	0	0
3.	Dental only	0	0	0	0
4.	Vision only	0	0	0	0
5.	Federal Employees Health Benefits Plan	19,694,942	0	31,492	19,663,450
6.	Title XVIII - Medicare	205,967,275	0	56,267	205,911,008
7.	Title XIX - Medicaid	0	0	0	0
8.	Other health	0	0	0	0
9.	Health subtotal (Lines 1 through 8)	490,937,576	0	536,824	490,400,752
10.	Life	0	0	0	0
11.	Property/casualty	0	0	0	0
12.	TOTALS (Lines 9 to 11)	490,937,576	0	536,824	490,400,752

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	438,585,596	230,798,624	0	0	0	18,629,363	189,157,609	0	0	0
1.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
1.3 Reinsurance ceded	44,068	44,068	0	0	0	0	0	0	0	0
1.4 Net	438,541,528	230,754,556	0	0	0	18,629,363	189,157,609	0	0	0
2. Paid medical incentive pools and bonuses	16,766,523	13,205,390	0	0	0	376,748	3,184,385	0	0	0
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	45,982,524	23,517,025	0	0	0	1,721,458	20,744,041	0	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
3.4 Net	45,982,524	23,517,025	0	0	0	1,721,458	20,744,041	0	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0	0	0	0	0	0	0	0	0	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	11,854,250	9,184,436	0	0	0	532,587	2,137,227	0	0	0
6. Net healthcare receivables (a)	1,186,201	(383,039)	0	0	0	0	1,569,240	0	0	0
7. Amounts recoverable from reinsurers December 31, current year	14,939	14,939	0	0	0	0	0	0	0	0
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	49,601,205	27,874,396	0	0	0	2,078,036	19,648,773	0	0	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
8.4 Net	49,601,205	27,874,396	0	0	0	2,078,036	19,648,773	0	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0	0	0	0	0	0	0	0	0	0
9.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
9.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
9.4 Net	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	16,102,985	12,365,760	0	0	0	376,748	3,360,477	0	0	0
11. Amounts recoverable from reinsurers December 31, prior year	150,000	150,000	0	0	0	0	0	0	0	0
12. Incurred benefits:										
12.1 Direct	433,780,714	226,824,292	0	0	0	18,272,785	188,683,637	0	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	(90,993)	(90,993)	0	0	0	0	0	0	0	0
12.4 Net	433,871,707	226,915,285	0	0	0	18,272,785	188,683,637	0	0	0
13. Incurred medical incentive pools and bonuses	12,517,788	10,024,066	0	0	0	532,587	1,961,135	0	0	0

(a) Excludes \$.00 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	20,876,966	10,010,215	0	0	0	1,063,226	9,803,525	0	0	0
1.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
1.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
1.4 Net	20,876,966	10,010,215	0	0	0	1,063,226	9,803,525	0	0	0
2. Incurred but Unreported:										
2.1 Direct	22,867,649	11,888,035	0	0	0	530,539	10,449,075	0	0	0
2.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
2.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
2.4 Net	22,867,649	11,888,035	0	0	0	530,539	10,449,075	0	0	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct	2,237,909	1,618,775	0	0	0	127,693	491,441	0	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
3.4 Net	2,237,909	1,618,775	0	0	0	127,693	491,441	0	0	0
4. TOTALS										
4.1 Direct	45,982,524	23,517,025	0	0	0	1,721,458	20,744,041	0	0	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4 Net	45,982,524	23,517,025	0	0	0	1,721,458	20,744,041	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B - ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

		Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
		1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
Line of Business							
1.	Comprehensive (hospital and medical)	25,235,085	212,437,003	664,141	22,772,264	25,899,226	27,874,396
2.	Medicare Supplement	0	0	0	0	0	0
3.	Dental only	0	0	0	0	0	0
4.	Vision only	0	0	0	0	0	0
5.	Federal Employees Health Benefits Plan	2,455,340	16,174,023	0	1,802,077	2,455,340	2,078,036
6.	Title XVIII - Medicare	20,289,852	170,374,235	165,016	20,579,026	20,454,868	19,648,773
7.	Title XIX - Medicaid	0	0	0	0	0	0
8.	Other health	0	0	0	0	0	0
9.	Health subtotal (Lines 1 to 8)	47,980,277	398,985,261	829,157	45,153,367	48,809,434	49,601,205
10.	Healthcare receivables (a)	4,413,753	3,875,196	534,450	5,925,366	4,948,203	5,273,616
11.	Other non-health	0	0	0	0	0	0
12.	Medical incentive pool and bonus amounts	13,753,925	3,012,595	3,704,808	8,149,442	17,458,733	16,102,985
13.	TOTALS (Lines 9 - 10 + 11 + 12)	57,320,449	398,122,660	3,999,515	47,377,443	61,319,964	60,430,574

(a) Excludes \$......0 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Grand Total

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2009	2 2010	3 2011	4 2012	5 2013
1.	Prior	60,004	0	0	0	0
2.	2009	331,388	57,583	0	0	0
3.	2010	X X X	349,766	52,477	0	0
4.	2011	X X X	X X X	371,192	52,849	0
5.	2012	X X X	X X X	X X X	393,857	57,320
6.	2013	X X X	X X X	X X X	X X X	398,123

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2009	2 2010	3 2011	4 2012	5 2013
1.	Prior	62,265	0	0	0	0
2.	2009	394,113	62,687	0	0	0
3.	2010	X X X	402,045	55,900	0	0
4.	2011	X X X	X X X	431,791	58,652	0
5.	2012	X X X	X X X	X X X	453,759	61,854
6.	2013	X X X	X X X	X X X	X X X	451,425

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2009	436,068	388,971	9,640	2.478	398,611	91.410	0	0	398,611	91.410
2.	2010	444,574	402,243	6,305	1.567	408,548	91.897	0	0	408,548	91.897
3.	2011	481,877	424,041	6,926	1.633	430,967	89.435	0	0	430,967	89.435
4.	2012	505,654	451,178	8,234	1.825	459,412	90.855	4,534	0	463,946	91.752
5.	2013	490,345	398,122	7,958	1.999	406,080	82.815	53,303	618	460,001	93.812

12 Total

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Hospital and Medical
Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2009	2 2010	3 2011	4 2012	5 2013
1.	Prior	52,268	0	0	0	0
2.	2009	228,568	42,252	0	0	0
3.	2010	X X X	204,887	36,053	0	0
4.	2011	X X X	X X X	208,321	32,476	0
5.	2012	X X X	X X X	X X X	209,431	33,788
6.	2013	X X X	X X X	X X X	X X X	210,307

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2009	2 2010	3 2011	4 2012	5 2013
1.	Prior	54,246	0	0	0	0
2.	2009	273,983	46,317	0	0	0
3.	2010	X X X	241,048	38,191	0	0
4.	2011	X X X	X X X	246,205	36,886	0
5.	2012	X X X	X X X	X X X	245,262	36,797
6.	2013	X X X	X X X	X X X	X X X	239,918

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2009	298,405	270,820	6,244	2.306	277,064	92.848	0	0	277,064	92.848
2.	2010	263,504	240,940	3,663	1.520	244,603	92.827	0	0	244,603	92.827
3.	2011	271,998	240,798	4,360	1.811	245,158	90.132	0	0	245,158	90.132
4.	2012	268,774	243,220	5,186	2.132	248,406	92.422	3,009	0	251,415	93.541
5.	2013	265,275	210,306	4,958	2.358	215,264	81.147	29,612	374	245,250	92.451

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement . . . NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only NONE

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)
Federal Employees Health Benefits Plan Premiums
Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2009	2 2010	3 2011	4 2012	5 2013
1.	Prior	712	0	0	0	0
2.	2009	8,166	887	0	0	0
3.	2010	X X X	8,671	1,098	0	0
4.	2011	X X X	X X X	11,353	2,332	0
5.	2012	X X X	X X X	X X X	14,968	2,832
6.	2013	X X X	X X X	X X X	X X X	16,174

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2009	2 2010	3 2011	4 2012	5 2013
1.	Prior	712	0	0	0	0
2.	2009	9,265	887	0	0	0
3.	2010	X X X	9,856	1,098	0	0
4.	2011	X X X	X X X	13,809	2,332	0
5.	2012	X X X	X X X	X X X	17,422	2,832
6.	2013	X X X	X X X	X X X	X X X	18,509

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2009	9,103	9,053	209	2.309	9,262	101.747	0	0	9,262	101.747
2.	2010	11,188	9,769	165	1.689	9,934	88.792	0	0	9,934	88.792
3.	2011	16,025	13,684	298	2.178	13,982	87.251	0	0	13,982	87.251
4.	2012	19,887	17,800	405	2.275	18,205	91.542	0	0	18,205	91.542
5.	2013	19,695	16,174	400	2.473	16,574	84.153	2,335	0	18,909	96.009

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Title XVIII - Medicare
Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2009	2 2010	3 2011	4 2012	5 2013
1.	Prior	7,024	0	0	0	0
2.	2009	94,654	14,444	0	0	0
3.	2010	X X X	136,208	15,326	0	0
4.	2011	X X X	X X X	151,518	18,041	0
5.	2012	X X X	X X X	X X X	169,458	20,700
6.	2013	X X X	X X X	X X X	X X X	171,642

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2009	2 2010	3 2011	4 2012	5 2013
1.	Prior	7,307	0	0	0	0
2.	2009	110,865	15,483	0	0	0
3.	2010	X X X	151,141	16,611	0	0
4.	2011	X X X	X X X	171,777	19,434	0
5.	2012	X X X	X X X	X X X	191,075	22,225
6.	2013	X X X	X X X	X X X	X X X	192,998

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2009	128,560	109,098	3,187	2.921	112,285	87.341	0	0	112,285	87.341
2.	2010	169,882	151,534	2,477	1.635	154,011	90.658	0	0	154,011	90.658
3.	2011	193,854	169,559	2,268	1.338	171,827	88.637	0	0	171,827	88.637
4.	2012	216,993	190,158	2,643	1.390	192,801	88.851	1,525	0	194,326	89.554
5.	2013	205,375	171,642	2,600	1.515	174,242	84.841	21,356	244	195,842	95.358

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XIX-Medicaid NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Title XIX-Medicaid NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XIX-Medicaid NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Other NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur Claims - Other NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Other NONE

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

		1	2	3	4	5	6	7	8	9
		Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1.	Unearned premium reserves	0	0	0	0	0	0	0	0	0
2.	Additional policy reserves (a)	0	0	0	0	0	0	0	0	0
3.	Reserve for future contingent benefits	0	0	0	0	0	0	0	0	0
4.	Reserve for rate credits or experience rating refunds (including \$.....0 for investment income)	58,444	0	0	0	0	0	58,444	0	0
5.	Aggregate write-ins for other policy reserves	0	0	0	0	0	0	0	0	0
6.	TOTALS (Gross)	58,444	0	0	0	0	0	58,444	0	0
7.	Reinsurance ceded	0	0	0	0	0	0	0	0	0
8.	TOTALS (Net) (Page 3, Line 4)	58,444	0	0	0	0	0	58,444	0	0
9.	Present value of amounts not yet due on claims	0	0	0	0	0	0	0	0	0
10.	Reserve for future contingent benefits	0	0	0	0	0	0	0	0	0
11.	Aggregate write-ins for other claim reserves	0	0	0	0	0	0	0	0	0
12.	TOTALS (Gross)	0	0	0	0	0	0	0	0	0
13.	Reinsurance ceded	0	0	0	0	0	0	0	0	0
14.	TOTALS (Net) (Page 3, Line 7)	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS										
0501.	.....	0	0	0	0	0	0	0	0	0
0502.	.....	0	0	0	0	0	0	0	0	0
0503.	.....	0	0	0	0	0	0	0	0	0
0598.	Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0
0599.	TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0
1101.	.....	0	0	0	0	0	0	0	0	0
1102.	.....	0	0	0	0	0	0	0	0	0
1103.	.....	0	0	0	0	0	0	0	0	0
1198.	Summary of remaining write-ins for Line 11 from overflow page ..	0	0	0	0	0	0	0	0	0
1199.	TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) ..	0	0	0	0	0	0	0	0	0

(a) Includes \$.....0 premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES

		Claim Adjustment Expenses		3	4	5
		1	2			
		Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1.	Rent (\$.....862,560 for occupancy of own building)	0	0	2,001,228	0	2,001,228
2.	Salaries, wages and other benefits	3,264,388	2,160,125	44,017,547	0	49,442,060
3.	Commissions (less \$.....0 ceded plus \$.....0 assumed)	0	0	4,046,262	0	4,046,262
4.	Legal fees and expenses	0	0	92,443	0	92,443
5.	Certifications and accreditation fees	0	0	0	0	0
6.	Auditing, actuarial and other consulting services	0	0	1,264,949	0	1,264,949
7.	Traveling expenses	28,452	11,308	631,061	0	670,821
8.	Marketing and advertising	11,090	70	3,797,231	0	3,808,391
9.	Postage, express and telephone	172,307	298,631	1,349,909	0	1,820,847
10.	Printing and office supplies	50,580	45,341	1,344,894	0	1,440,815
11.	Occupancy, depreciation and amortization	165,852	81,793	801,790	0	1,049,435
12.	Equipment	156	335	267,786	0	268,277
13.	Cost or depreciation of EDP equipment and software	350,704	753,853	7,708,293	0	8,812,850
14.	Outsourced services including EDP, claims, and other services	930,974	215,481	4,004,611	0	5,151,066
15.	Boards, bureaus and association fees	6,001	8,183	516,603	0	530,787
16.	Insurance, except on real estate	0	0	510,739	0	510,739
17.	Collection and bank service charges	0	0	128,211	71,258	199,469
18.	Group service and administration fees	0	0	0	0	0
19.	Reimbursements by uninsured plans	0	0	0	0	0
20.	Reimbursements from fiscal intermediaries	0	0	0	0	0
21.	Real estate expenses	0	0	0	0	0
22.	Real estate taxes	0	0	129,936	0	129,936
23.	Taxes, licenses and fees:					
23.1	State and local insurance taxes	0	0	2,126,445	0	2,126,445
23.2	State premium taxes	0	0	0	0	0
23.3	Regulatory authority licenses and fees	0	0	0	0	0
23.4	Payroll taxes	233,045	160,962	2,428,492	0	2,822,499
23.5	Other (excluding federal income and real estate taxes)	0	0	13,828	0	13,828
24.	Investment expenses not included elsewhere	0	0	0	0	0
25.	Aggregate write-ins for expenses	290,682	26,952	(31,331,980)	0	(31,014,346)
26.	TOTAL Expenses Incurred (Lines 1 to 25)	5,504,231	3,763,034	45,850,278	71,258	(a) 55,188,801
27.	Less expenses unpaid December 31, current year	250,455	367,567	6,673,318	0	7,291,340
28.	Add expenses unpaid December 31, prior year	247,423	360,727	7,131,353	0	7,739,503
29.	Amounts receivable relating to uninsured plans, prior year	0	0	0	0	0
30.	Amounts receivable relating to uninsured plans, current year	0	0	0	0	0
31.	TOTAL Expenses Paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	5,501,199	3,756,194	46,308,313	71,258	55,636,964
DETAILS OF WRITE-INS						
2501.	Affiliates Administrative Fees	0	0	(32,024,120)	0	(32,024,120)
2502.	Member Incentives	266,599	0	0	0	266,599
2503.	Conferences, Seminars, and Training	3,453	1,402	134,006	0	138,861
2598.	Summary of remaining write-ins for Line 25 from overflow page	20,630	25,550	558,134	0	604,314
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	290,682	26,952	(31,331,980)	0	(31,014,346)

(a) Includes management fees of \$.....0 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a) 0	0
1.1	Bonds exempt from U.S. tax	(a) 0	0
1.2	Other bonds (unaffiliated)	(a) 0	0
1.3	Bonds of affiliates	(a) 0	0
2.1	Preferred stocks (unaffiliated)	(b) 0	0
2.11	Preferred stocks of affiliates	(b) 0	0
2.2	Common stocks (unaffiliated)	732,267	728,425
2.21	Common stocks of affiliates	0	0
3.	Mortgage loans	(c) 0	0
4.	Real estate	(d) 862,560	862,560
5.	Contract loans	0	0
6.	Cash, cash equivalents and short-term investments	(e) 271,040	175,883
7.	Derivative instruments	(f) 0	0
8.	Other invested assets	0	0
9.	Aggregate write-ins for investment income	0	0
10.	Total gross investment income	1,865,867	1,766,868
11.	Investment expenses		(g) 71,258
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g) 0
13.	Interest expense		(h) 0
14.	Depreciation on real estate and other invested assets		(i) 0
15.	Aggregate write-ins for deductions from investment income		0
16.	Total deductions (Lines 11 through 15)		71,258
17.	Net Investment income (Line 10 minus Line 16)		1,695,610
DETAILS OF WRITE-INS			
0901.		0	0
0902.		0	0
0903.		0	0
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0
1501.			0
1502.			0
1503.			0
1598.	Summary of remaining write-ins for Line 15 from overflow page		0
1599.	TOTALS (Lines 1501 through 1503 plus 1598) (Line 15 above)		0
(a) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.			
(b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.			
(c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.			
(d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.			
(e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.			
(f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.			
(g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.			
(h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.			
(i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.			

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds	0	0	0	0	0
1.1	Bonds exempt from U.S. tax	0	0	0	0	0
1.2	Other bonds (unaffiliated)	0	0	0	0	0
1.3	Bonds of affiliates	0	0	0	0	0
2.1	Preferred stocks (unaffiliated)	0	0	0	0	0
2.11	Preferred stocks of affiliates	0	0	0	0	0
2.2	Common stocks (unaffiliated)	2,218,355	0	2,218,355	2,048,725	0
2.21	Common stocks of affiliates	0	0	0	(4,528,694)	0
3.	Mortgage loans	0	0	0	0	0
4.	Real estate	0	0	0	0	0
5.	Contract loans	0	0	0	0	0
6.	Cash, cash equivalents and short-term investments	32,474	0	32,474	0	0
7.	Derivative instruments	0	0	0	0	0
8.	Other invested assets	0	0	0	0	0
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	2,250,829	0	2,250,829	(2,479,969)	0
DETAILS OF WRITE-INS						
0901.		0	0	0	0	0
0902.		0	0	0	0	0
0903.		0	0	0	0	0
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

		1	2	3
		Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1.	Bonds (Schedule D)	0	0	0
2.	Stocks (Schedule D):			
2.1	Preferred stocks	0	0	0
2.2	Common stocks	0	0	0
3.	Mortgage loans on real estate (Schedule B):			
3.1	First liens	0	0	0
3.2	Other than first liens	0	0	0
4.	Real estate (Schedule A):			
4.1	Properties occupied by the company	0	0	0
4.2	Properties held for the production of income	0	0	0
4.3	Properties held for sale	0	0	0
5.	Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)	0	0	0
6.	Contract loans	0	0	0
7.	Derivatives (Schedule DB)	0	0	0
8.	Other invested assets (Schedule BA)	0	0	0
9.	Receivables for securities	0	0	0
10.	Securities lending reinvested collateral assets (Schedule DL)	0	0	0
11.	Aggregate write-ins for invested assets	0	0	0
12.	Subtotals, cash and invested assets (Lines 1 to 11)	0	0	0
13.	Title plants (for Title insurers only)	0	0	0
14.	Invested income due and accrued	0	0	0
15.	Premium and considerations:			
15.1	Uncollected premiums and agents' balances in the course of collection	1,325	0	(1,325)
15.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due	0	0	0
15.3	Accrued retrospective premiums	0	0	0
16.	Reinsurance:			
16.1	Amounts recoverable from reinsurers	0	0	0
16.2	Funds held by or deposited with reinsured companies	0	0	0
16.3	Other amounts receivable under reinsurance contracts	0	0	0
17.	Amounts receivable relating to uninsured plans	0	0	0
18.1	Current federal and foreign income tax recoverable and interest thereon	0	0	0
18.2	Net deferred tax asset	0	0	0
19.	Guaranty funds receivable or on deposit	0	0	0
20.	Electronic data processing equipment and software	4,654,093	3,895,394	(758,699)
21.	Furniture and equipment, including health care delivery assets	773,564	431,944	(341,620)
22.	Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
23.	Receivables from parent, subsidiaries and affiliates	0	0	0
24.	Health care and other amounts receivable	47,793	0	(47,793)
25.	Aggregate write-ins for other than invested assets	1,592,688	1,309,484	(283,204)
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	7,069,463	5,636,822	(1,432,641)
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0
28.	Total (Lines 26 and 27)	7,069,463	5,636,822	(1,432,641)
DETAILS OF WRITE-INS				
1101.	.....	0	0	0
1102.	.....	0	0	0
1103.	.....	0	0	0
1198.	Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199.	TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0
2501.	Prepaid Expenses	1,592,688	1,309,484	(283,204)
2502.	.....	0	0	0
2503.	.....	0	0	0
2598.	Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	1,592,688	1,309,484	(283,204)

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment		Total Members at End of					6
		1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	Current Year Member Months
1.	Health Maintenance Organizations	69,812	70,881	70,075	70,801	74,566	858,210
2.	Provider Service Organizations	0	0	0	0	0	0
3.	Preferred Provider Organizations	0	0	0	0	0	0
4.	Point of Service	4,477	4,196	4,465	4,604	4,591	53,125
5.	Indemnity Only	0	0	0	0	0	0
6.	Aggregate write-ins for other lines of business	0	0	0	0	0	0
7.	TOTAL	74,289	75,077	74,540	75,405	79,157	911,335
DETAILS OF WRITE-INS							
0601.	.....	0	0	0	0	0	0
0602.	.....	0	0	0	0	0	0
0603.	.....	0	0	0	0	0	0
0698.	Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

Notes to Financial Statements

1. Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying financial statements of HealthPlus of Michigan, Inc. (the Company) have been prepared in conformity with the 2013 NAIC Annual Statement Instructions and the NAIC Accounting Practices and Procedures Manual as of March 2013, to the extent that the accounting practices, procedures, and reporting standards are not modified by the Michigan Insurance Code or the 2013 Forms and Instructions for Required Filings in Michigan. The Company has no prescribed or permitted practices that affect net income, statutory surplus or risk-based capital to report.

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

Premium revenue is recognized in the month that members are entitled to health care services. The liability for incurred medical and hospital claims is accrued in the period during which the services are provided and includes estimates of services performed, which have not been reported to the Company.

The Company reports the value of its home office building at depreciated cost on Schedule A - Part 1.

In addition, the company uses the following accounting policies:

- 1) Short Term Investments are stated at amortized cost.
- 2) Bonds not backed by other loans are stated at amortized cost.
- 3) Common Stocks are reported at market value.
- 4) The Company has no Preferred Stocks to report.
- 5) The Company has no mortgage loans to report.
- 6) Loan Backed Securities are stated at amortized cost.
- 7) The Company carries its investment in HealthPlus Partners, Inc. and HealthPlus Insurance Company at Statutory Equity, and its investment in HealthPlus Options at audited GAAP equity.
- 8) The Company has no ownership interests in joint ventures, partnerships, or limited liability companies.
- 9) The Company has no derivatives to report.
- 10) The Company uses anticipated investment income in the calculation of premium deficiency reserves.
- 11) Unpaid claims include amounts determined from individual case estimates and amounts based on past experiences, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.
- 12) The Company has not modified its capitalization policy from the prior period.
- 13) Estimated pharmaceutical rebate receivables are based primarily on historical trends.

2. Accounting Changes and Corrections of Errors

- A. The Company reported an adjustment to surplus of (\$439,442) related to prior-years admitted EDP Equipment and Operating System Software depreciation. The Company had been depreciating admitted EDP Equipment and Operating System Software over five years rather than three years as required by SSAP#16R.

Notes to Financial Statements

3. Business Combinations and Goodwill

- A. Statutory Purchase Method – None
- B. Statutory Merger – None
- C. Assumption Reinsurance – None
- D. Impairment Loss – None

4. Discontinued Operations

None.

5. Investments

- A. Mortgage Loans, including Mezzanine Real Estate Loans – None
- B. Debt Restructuring – None
- C. Reverse Mortgages – None
- D. Loan-Backed Securities – None
- E. Repurchase Agreements and/or Securities Lending Transactions – None
- F. Real Estate – None
- G. Investments in Low-Income Housing Tax Credits (LIHTC) - None

6. Joint Ventures, Partnerships and Limited Liability Companies

None.

7. Investment Income

- A. The Company has not excluded from surplus any investment income due and accrued.
- B. Total amount excluded was \$0

8. Derivative Instruments

None.

9. Income Taxes

- B. Components of Deferred Tax Assets and Deferred Tax Liabilities – None
- C. Unrecognized Deferred Tax Liabilities – None
- D. Components of income tax incurred – The Company is exempt from Federal income tax under Internal Revenue Code Section 501(c)(4).
- E. Book to tax adjustments – None
- F. Loss carry forwards and credit carry forwards – None
- G. Consolidated tax return - None

10. Information Concerning Parent, Subsidiaries and Affiliates

A., B. & C.

HealthPlus of Michigan, Inc. has three wholly owned subsidiaries.

HealthPlus Options, Inc. (HPO) began operations in 1990 as a third party administrator. The Company reports its investment in HPO at audited GAAP equity, which amounted to \$1,606,260 at December 31, 2013 and \$2,144,824 at December 31, 2012 and is reported as a subsidiary stock investment on Schedule D-Part 6, Section 1. The Company has entered into agreements with HPO for the provision of administrative services. These services amounted to \$5,511,650 at December 31, 2013 and \$4,721,259 at December 31, 2012.

Notes to Financial Statements

HealthPlus Partners, Inc. (HPP) is a state licensed Health Maintenance Organization serving Medicaid members in the greater Flint and Saginaw regions and began operations on January 1, 2003. The Company reports its investment in HPP at statutory equity, which amounted to \$30,058,719 at December 31, 2013 and \$27,711,511 at December 31, 2012, and is reported as a subsidiary stock investment on Schedule D-Part 6, Section 1. The Company has entered into agreements with HPP for the provision of administrative services. These services amounted to \$17,851,073 at December 31, 2013 and \$15,850,875 at December 31, 2012.

HealthPlus Insurance Company (HPI) is a state licensed Insurance Company and began operations January 1, 2007 offering a PPO product. The Company reports its investment in HPI at statutory equity, which amounted to \$20,334,561 at December 31, 2013 and \$14,171,899 at December 31, 2012, and is reported as a subsidiary stock investment on Schedule D-Part 6, Section 1. The Company has entered into agreements with HPI for the provision of administrative services. These services amounted to \$8,661,397 at December 31, 2013 and \$7,967,140 at December 31, 2012. The Company made additional capital contributions to HPI of \$5,000,000 on March 6, 2013, \$5,000,000 on April 17, 2013, and \$2,500,000 on June 28, 2013.

D. The Company reported receivables from subsidiaries of \$1,055,886 and \$709,540 and payables to subsidiaries of \$3,377,154 and \$2,563,699 as of December 31, 2013 and December 31, 2012 respectively. These amounts are settled monthly.

E. Affiliate guarantees – None

F. The Company has entered into agreements with its subsidiaries for the provision of administrative services. Administrative expenses are allocated based primarily on adjusted premium revenue.

G. The nature of the control relationship does not result in the operating results or financial position being significantly different than those that would have been obtained if the enterprises were autonomous.

H. Ownership in an upstream Parent or Affiliate - None

I. The Company's investment in its wholly-owned subsidiary HealthPlus Partners, Inc. exceeds 10% of the Company's admitted assets. HPP is reported at statutory equity, which amounted to \$30,058,719 as of December 31, 2013. HPP's admitted assets and liabilities at December 31, 2013 were \$53,621,539 and \$23,562,820 respectively. HPP reported net income/(loss) of \$935,061 as of the Year Ended December 31, 2013.

The Company's investment in its wholly-owned subsidiary HealthPlus Insurance Company exceeds 10% of the Company's admitted assets. HPI is reported at statutory equity, which amounted to \$20,334,561 as of December 31, 2013. HPI's admitted assets and liabilities at December 31, 2013 were \$51,599,325 and \$31,264,764 respectively. HPI reported net income/(loss) of (\$6,332,232) as of the Year Ended December 31, 2013.

J. Investments in Impaired Subsidiaries – None

K. Investments in Foreign Insurance Subsidiary – None

L. Investment in Downstream Non-insurance Holding Company – None

11. Debt

A. Debt, including Capital Notes and Holding Company Obligations – None

B. Federal Home Loan Bank (FHLB) agreements - None

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans.

Notes to Financial Statements

The Company has a retiree health insurance program. To be eligible, the participant must have retired from active employment, attained the age of 62 and have 15 years of full-time service. The Company currently funds the cost of these benefits as they are incurred.

A. Defined Benefit Plan

(1) Change in benefit obligation

Description		Overfunded		Underfunded	
		2013	2012	2013	2012
a.	Pension Benefits				
1.	Benefit obligation at beginning of year				
2.	Service cost				
3.	Interest cost				
4.	Contribution by plan participants				
5.	Actuarial gain (loss)				
6.	Foreign currency exchange rate changes				
7.	Benefits paid				
8.	Plan amendments				
9.	Business combinations, divestitures, curtailments, settlements and special termination benefits				
10.	Benefit obligation at end of year				
b.	Postretirement Benefits				
1.	Benefits obligation at beginning of year			92,000	56,000
2.	Service cost			148,000	
3.	Interest cost			55,000	2,000
4.	Contribution by plan participants				
5.	Actuarial gain (loss)			(225,000)	74,000
6.	Foreign currency exchange rate changes				
7.	Benefits paid			(41,000)	(40,000)
8.	Plan amendments			1,517,000	
9.	Business combinations, divestitures, curtailments, settlements and special termination benefits				
10.	Benefit obligation at end of year			1,546,000	92,000
c.	Postemployment & Compensated Absence Benefits				
1.	Benefit obligation at beginning of year				
2.	Service cost				
3.	Interest cost				
4.	Contribution by plan participants				
5.	Actuarial gain (loss)				
6.	Foreign currency exchange rate changes				
7.	Benefits paid				
8.	Plan amendments				
9.	Business combinations, divestitures, curtailments, settlements and special termination benefits				
10.	Benefit obligation at end of year				

(2) Change in plan assets

Description		Pension Benefits		Postretirement Benefits		Postemployment	
		2013	2012	2013	2012	2013	2012
a.	Fair value of plan						

Notes to Financial Statements

	assets at beginning of year						
b.	Actual return on plan assets						
c.	Foreign currency exchange rate changes						
d.	Reporting entity contribution			41,000	40,000		
e.	Plan participants' contributions						
f.	Benefits paid			(41,000)	(40,000)		
g.	Business combinations, divestitures and settlements						
h.	Fair value of plan assets at end of year						

(3) Funded status

Description		Pension Benefits		Postretirement Benefits	
		2013	2012	2013	2012
Overfunded:					
a.	Assets (nonadmitted)				
1.	Prepaid benefit costs				
2.	Overfunded plan assets				
3.	Total assets (nonadmitted)				
Underfunded:					
b.	Liabilities recognized				
1.	Accrued benefit costs				
2.	Liability for pension benefits				
3.	Total liabilities recognized				
c.	Unrecognized liabilities				

(4) Components of net periodic benefit cost

Description		Pension Benefits		Postretirement Benefits		Postemployment & Compensated Absence Benefits	
		2013	2012	2013	2012	2013	2012
a.	Service cost			148,000			
b.	Interest cost			56,000	2,000		
c.	Expected return on plan assets						
d.	Transition asset or obligation			123,000			
e.	Gains and losses				(5,000)		
f.	Prior service cost or credit						
g.	Gain or loss recognized due to a						

Notes to Financial Statements

	settlement or curtailment						
h.	Total net periodic benefit cost			327,000	(3,000)		

(5) Amounts in unassigned funds (surplus) recognized as components of net periodic benefit cost

Description		Pension Benefits		Postretirement Benefits	
		2013	2012	2013	2012
a.	Items not yet recognized as a component of net periodic benefit cost – prior year				
b.	Net transition asset or obligation recognized				
c.	Net prior service cost or credit arising during the period				
d.	Net prior service cost or credit recognized				
e.	Net gain and loss arising during the period				
f.	Net gain and loss recognized				
g.	Item not yet recognized as a component if net periodic cost – current year				

(6) Amount in unassigned funds (surplus) expected to be recognized in the next fiscal year as components of net periodic benefit cost.

Description		Pension Benefits		Postretirement Benefits	
		2013	2012	2013	2012
a.	Net transition asset or obligation				
b.	Net prior service cost or credit				
c.	Net recognized gains and losses				

(7) Amounts in unassigned funds (surplus) that have not yet been recognized as components of net periodic benefit cost

Description		Pension Benefits		Postretirement Benefits	
		2013	2012	2013	2012
a.	Net transition asset or obligation				
b.	Net prior service cost or credit				
c.	Net recognized gains and losses				

(8) Weighted-average assumptions used to determine net periodic benefit cost as of Dec 31

Description		2013	2012
a.	Weighted-average discount rate	3.50%	3.55%
b.	Expected long-term rate of return on plan assets		
c.	Rate of compensation increase		
Weighted-average assumptions used to determine projected benefit obligations as of Dec. 31:			
d.	Weighted-average discount rate		
e.	Rate of compensation increase		

Notes to Financial Statements

For measurement purposes, a __7.4__ percent annual rate of increase in the per capita cost of covered health care benefits was assumed for 2013. The rate was assumed to decrease gradually to __7.3__ percent for 2014 and remain at that level thereafter.

- (9) The amount of the accumulated benefit obligation for defined benefit pension plans was \$1,547,000 for the current year and \$92,000 for the prior year.
- (10) Not Applicable.
- (11) Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects:

	Description	1 Percentage Point Increase	1 Percentage Point Decrease
a.	Effect on total of service and interest cost components	42,000	(39,000)
b.	Effect on postretirement benefit obligation	170,000	(155,000)

- (12) The following estimated future payments, which reflect expected future service, as appropriate, are expected to be paid in the years indicated:

	Year(s)	Amount
a.	2014	4,000
b.	2015	23,000
c.	2016	35,000
d.	2017	81,000
e.	2018	92,000
f.	2019 through 2023	863,000

- (13) The Company funds the cost of these benefits as they are incurred.
- (14) – (19) Not applicable.
- (20) The Company’s accumulated postretirement benefit obligation at December 31, 2013 is \$1,546,743. The impact to surplus necessary to reflect the full benefit obligation within the financial statements would be \$1,455,424.
- (21) The Company has opted to amortize the amount of the accumulated postretirement benefit obligation transition to SSAP 92 of \$1,455,424 over a period of ten years at \$145,542 per year through 2022 as allowed by statutory guidance.

C.

- (1) Fair Value Measurement of Plan Assets at Reporting Date

Description for Each Class of Plan Assets		(Level 1)	(Level 2)	(Level 3)	Total
12C1999	Total – Plan Assets				

- (2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy

Description for Each Class of Plan Assets	Beginning Balance at 01/01/2013	Transfers into Level 3	Transfers out of Level 3	Return on Assets Still Held	Return on Assets Sold	Purchases	Issues

Notes to Financial Statements

12C2999	Total – Plan Assets							

- D. Rate-of-return on plan assets: Not applicable.
- E. Defined Contribution Plan:
A contributory defined contribution plan is provided to substantially all employees of the Company. Participating employees are eligible to contribute up to 15% of their annual compensation to the plan. The Company contributes 7% of participating employees’ annual compensation into the benefit plan. Company contributions were approximately \$2,1867,000 at December 31, 2013 and \$1,938,000 as of December 31, 2012.
- F. Multiemployer Plans: Not applicable
- G. Consolidated/Holding Company Plans: Not applicable.
- H. Postemployment Benefits and Compensated Absences:
HPM employees accrue Paid Time Off (PTO) bi-weekly based on years of service. These amounts are accrued as they are earned. The PTO liability was \$1,997,005 and \$1,822,405 as of December 31, 2013 and December 31, 2012 respectively.

I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)

On December 8, 2003, the Prescription Drug, Improvement, and Modernization Act of 2003 (the Act) was signed into law. The Act introduces a prescription drug benefit under Medicare as well as a federal subsidy to certain sponsors of postretirement health care benefit plans that provide a prescription drug benefit to their enrollees. The Company believes its postretirement benefit plan may qualify for subsidy under the Act.

In accordance with Financial Accounting Standards Board (FASB) Staff Position 106-1, *Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003*, the accumulated postretirement benefit obligation and net periodic postretirement benefit cost do not include the effect of the Act as the Company has elected to defer the accounting for the impact of the Act until pending authoritative guidance is issued. Once issued, such authoritative literature may require the Company to modify previously reported information.

13. Capital and Surplus, Shareholders’ Dividend Restrictions and Quasi-Reorganizations

- 1) Capital Stock – None
- 2) Preferred Stock – None
- 3) Dividend Restrictions – Distributions of earnings is prohibited by the Company’s bylaws.
- 4) Dividends Paid – None
- 5) Portion of profits that may be paid as dividends – Distribution of earnings is prohibited by the Company’s bylaws.
- 6) Restrictions on Unassigned Funds (Surplus) – None
- 7) Advances to Surplus – Not Applicable
- 8) Stock held for special purposes – None
- 9) Changes in special surplus funds – None
- 10)The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses is (\$19,329,193).
- 11)Surplus debentures or similar obligations – None
- 12)Impact of prior quasi-reorganizations – None
- 13)Effective dates of quasi-reorganizations in the prior ten years - None

14. Contingencies

- A. Contingent Commitments – None
- B. Assessments – None
- C. Gain Contingencies – None

Notes to Financial Statements

- D. Claims related extra contractual obligation and bad faith losses stemming from lawsuits – None
- E. All Other Contingencies - In the normal course of business, HealthPlus of Michigan, Inc. is a party to certain legal matters. Management is of the opinion that resolution of these matters will not have a material effect on the Company’s financial position or results of operations. The Company has no assets that it considers to be impaired.

15. Leases

- A. Lessee Operating Leases
 - 1) The Company leases office equipment and space under various operating lease agreements. Total rental expense for all operating leases was approximately \$504,000 and \$485,000 in 2013 and 2012 respectively.
 - 2) Minimum aggregate rental commitments

Year Ended December 31	Operating Leases (in thousands)
2014	\$497
2015	272
2016	221
2017	222
2018	73

- 3) Sales-leaseback transactions – None

- B. Lessor Leases and Leveraged Leases - None

16. Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk.

None.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

- A. Transfers of Receivables Reported as Sales – None
- B. Transfer and Servicing of Financial Assets – None
- C. Wash Sales - None

18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans

- A. ASO Plans – None
- B. ASC Plans – None
- C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract
 - a. Revenue from the Company’s Medicare Part D cost based reimbursement portion of its contract with the Centers for Medicare and Medicaid Services (CMS) consisted of \$1,569,136 and \$830,559 for the reinsurance subsidy and \$115,929 and \$514,938 for the low-income cost sharing subsidy at December 31, 2013 and December 31, 2012 respectively.
 - b. The Company has recorded receivables from CMS related to this program of \$510,512 and \$400,094 as of December 31, 2013 and December 31, 2012 respectively.
 - c. Recorded allowances and reserves for adjustment of recorded revenue – None
 - d. Adjustments to revenue resulting from audit of receivable related to revenues recorded in the prior period - None

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

Notes to Financial Statements

None.

20. Fair Value Measurements

A.

1) Fair Value Measurements at Reporting Date

Description	Level 1	Level 2	Level 3	Total
a. Assets at fair value				
Common Stocks	\$20,747,794	\$0	\$0	\$20,747,794
b. Liabilities at fair value	\$0	\$0	\$0	\$0

2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy – None

B. Other Fair Value Measurements – None

C. Aggregate Fair Value and Admitted Value for all Invested Assets

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
Common Stock	\$20,747,794	\$20,747,794	\$20,747,794	\$0	\$0	\$0

D. Not Practicable to Estimate Fair Value – None

21. Other Items

A. Extraordinary Items – None

B. Troubled Debt Restructuring: Debtors – None

C. Other Disclosures

Statutory Reserve: As a condition of licensure with the State of Michigan, The Company maintains a deposit in the amount of \$1,000,000 in a segregated account and can only be used by the Company at the discretion of the Insurance Commissioner. These funds are invested in an exempt money market mutual fund and reported in short-term investments. Interest on these funds accrues to the Company.

D. The Company had admitted premiums receivable of \$4,177,580 and \$6,370,438 at December 31, 2013 and December 31, 2012 respectively. The Company routinely assesses the collectability of these receivables and amounts over 90 days past due are non-admitted.

E. Business Interruption Insurance Recoveries – None

F. State Transferable Tax Credits – None

G. Subprime-Mortgage-Related Risk Expense – None

H. Retained Assets – Not applicable

22. Events Subsequent

Type I – Recognized Subsequent Events: None
Type II – Nonrecognized Subsequent Events:

Notes to Financial Statements

On January 1, 2014, the Company will be subject to an annual fee under section 9010 of the Affordable Care Act (ACA). This annual fee will be allocated to individual health insurers based on the ratio of the amount of the entity’s net premiums written during the preceding calendar year to the amount of health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity’s portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1, 2014. As of December 31, 2013, the Company has written health insurance subject to the ACA assessment, expects to conduct health insurance business in 2014, and estimates their portion of the annual health insurance industry fee to be payable on September 30, 2014 and the expected impact to risk based capital to be as follows:

A. ACA fee assessment payable	\$2,900,000
B. Assessment expected to impact RBC	3.8%

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

- (1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the Company?

Yes () No (x)
- (2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?

Yes () No (x)

Section 2 – Ceded Reinsurance Report – Part A

- (1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit?

Yes (x) No ()

a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the reporting entity to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the reporting entity may consider the current or anticipated experience of the business reinsured in making this estimate.

\$ 0.

b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability for these agreements in this statement?

\$ 0.
- (2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes () No (x)

Section 3 – Ceded Reinsurance – Part B

- (1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate.
\$ 0.
- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?
Yes () No (x)

(3) Uncollectible Reinsurance

None.

C. Commutation of Ceded Reinsurance

None.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

- A. HealthPlus provides health coverage to approximately 3,700 members under the Federal Employees Health Benefits Program (FEHBP) and is subject to rate redetermination. Under the terms of the contract with the Office of Personnel Management (OPM) HealthPlus is to provide health coverage at the lowest rate charged to Similar Sized Subscriber Groups.

The Company provides Medicare Advantage health coverage to approximately 19,500 members. Retrospective premiums are estimated based on members risk score adjustments submitted to CMS.
- B. The Company records accrued retrospective premiums as an adjustment to earned premiums.
- C. The amount of net premiums written by the Company at December 31, 2013 that are subject to retrospective rating features was \$19,694,942 or 4% of total net premiums for the FEHBP program and \$205,375,236 or 41.9% of total net premiums for the Medicare Advantage program. The amount of net premiums written by the Company that are subject to medical loss ratio rebate requirements pursuant to the Public Health Service Act are \$265,275,359 or 54.1% of total net premiums.
- D. Medical loss rebates required pursuant to the Public Health Service Act - None

25. Change in Incurred Claims and Claim Adjustment Expenses

The following table provides a reconciliation of the beginning and ending claims payable, net of reinsurance recoverables:

	Year Ended December 31	
	2013	2012
	(In Thousands)	
Reserve for claims payable, at beginning of year	\$ 49,601	\$ 49,197
Add provision for claims, occurring in:		

Notes to Financial Statements

Current year	444,139	441,336
Prior years	<u>(792)</u>	<u>(3,808)</u>
Net incurred claim expense during the current year	443,347	437,528
Deduct payments for claims occurring in:		
Current year	398,985	394,098
Prior years	<u>47,980</u>	<u>43,026</u>
Net claim payments during the current year	<u>446,965</u>	<u>437,124</u>
Reserve for claims payable, at end of year	<u>45,983</u>	<u>49,601</u>

The favorable development of the 2013 reserves is primarily due to 2012 physician and pharmacy incurred claim costs developing with less severity and frequency than anticipated. The net effect, after risk sharing, on expenses was (\$719,000) for 2013.

The favorable development of the 2012 reserves is primarily due to 2011 Inpatient, pharmacy and specialists incurred claim costs developing with less severity and frequency than anticipated. The net effect, after risk sharing, on expenses was (\$2,748,000) for 2012.

26. Intercompany Pooling Arrangements

None.

27. Structured Settlements

Not applicable.

28 Health Care Receivables

A. Pharmaceutical Rebate Receivables

Pharmaceutical rebate receivables consist of actual amounts billed for the previous quarter, based on actual prescriptions filled, and estimates of rebates for the current quarter. Estimated rebates are based primarily on historical trends.

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Invoiced/ Confirmed	Actual rebates Collected Within 90 Days of Invoicing/ Confirmation	Actual Rebates Collected Within 91 to 180 Days of Invoicing/ Confirmation	Actual Rebates Collected More Than 180 Days After Invoicing/ Confirmation
12/31/2013	1,181,000	0	0	0	0
09/30/2013	1,101,000	1,222,136	397,537	0	0
06/30/2013	1,091,000	1,140,517	509,326	569,211	0
03/31/2013	1,378,000	1,111,633	782,484	273,570	9,974
12/31/2012	1,354,000	1,402,168	1,124,275	263,322	0
09/30/2012	1,261,000	1,368,898	1,115,532	205,882	0
06/30/2012	1,151,000	1,318,060	1,106,380	209,733	0
03/31/2012	1,009,000	1,185,661	921,650	0	0
12/31/2011	0	1,137,554	969,103	163,685	0
09/30/2011	0	1,004,790	734,235	270,555	0
06/30/2011	0	968,507	804,240	164,267	0
03/31/2011	0	959,330	844,157	115,173	0

B. Risk Sharing Receivables

The Company has agreements, which provide the basis of payments to different provider groups for the delivery of health care services. The groups include hospitals, physician hospital organizations, and physicians. The agreements include provisions for the sharing of surplus or deficits calculated by the comparison of total expense to funding reported for the Company’s members served by the physicians affiliated with each contracting provider group. The funding

Notes to Financial Statements

levels are primarily based on a percentage of the premium, which the Company receives for providing health insurance coverage to employer groups. Certain of these providers have entered into separate agreements with affiliated hospitals to share any surplus or deficit associated with services to physician members.

The following table details risk sharing receivables recorded in accordance with the provisions of the aforementioned agreements.

Calendar Year	Evaluation Period Year Ending	Risk Sharing Receivable as Estimated And Reported in the Prior Year	Risk Sharing Receivable as Estimated And Reported in the Current Year	Risk Sharing Receivable Invoiced	Risk Sharing Receivable Not Invoiced	Actual Risk Sharing Amounts Collected in Year Invoiced	Actual Risk Sharing Amounts Collected First Year Subsequent	Actual Risk Sharing Amounts Collected Second Year Subsequent	Actual Risk Sharing Amounts Collected – All Other
2013	2013	0	4,380,495	0	0	0	0	0	0
	2014	0	0	0	0	0	0	0	0
2012	2012	0	2,574,130	1,704,212	869,918	1,704,212	0	0	0
	2013	0	0	0	0	0	0	0	0
2011	2011	0	1,073,664	1,073,664	0	1,073,664	0	0	0
	2012	0	0	0	0	0	0	0	0
2010	2010	0	2,292,879	2,292,879	0	2,292,879	0	0	0
	2011	0	0	0	0	0	0	0	0

29. Participating Policies

None.

30. Premium Deficiency Reserves

1. Liability carried for premium deficiency reserves

\$0
2. Date of the most recent evaluation of this liability

12/31/2013
3. Was anticipated investment income utilized in the calculation?

Yes

31. Anticipated Salvage and Subrogation

The Company has not specifically identified any anticipated salvage and subrogation amounts in its calculation of loss reserves.

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?
If yes, complete Schedule Y, Parts 1, 1A and 2.

Yes[X] No[]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes[X] No[] N/A[]
Michigan
- 1.3 State Regulating?
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes[] No[X]
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2012
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2009
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

06/29/2011
- 3.4 By what department or departments?
Department of Insurance and Financial Services, Office of Insurance Evaluation
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments?

Yes[] No[] N/A[X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with?

Yes[X] No[] N/A[]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business?

Yes[] No[X]
- 4.12 renewals?

Yes[] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business?

Yes[] No[X]
- 4.22 renewals?

Yes[] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes[] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes[] No[X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes[] No[X]
- 7.2 If yes,
- 7.21 State the percentage of foreign control

0.000%
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes[] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?

Yes[] No[X]
- 8.4 If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e., the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
		Yes[] No[X]	Yes[] No[X]	Yes[] No[X]	Yes[] No[X]

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young, LLP Suite 1700, 500 Woodward, Detroit, MI, 48226
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes[] No[X]
- 10.2 If response to 10.1 is "yes," provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation?

Yes[] No[X]
- 10.4 If response to 10.3 is "yes," provide information related to this exemption:
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes[X] No[] N/A[]
- 10.6 If the response to 10.5 is "NO" or "N/A" please explain:
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Michael J. Cellini Ph.D., ASA, FCA, MAAA, Ernst & Young, LLP, 5 Times Square, New York, NY, 10036

GENERAL INTERROGATORIES (Continued)

- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes[] No[X]
- 12.11 Name of real estate holding company
- 12.12 Number of parcels involved
- 12.13 Total book/adjusted carrying value

\$00
- 12.2 If yes, provide explanation
13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

Yes[] No[] N/A[X]
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes[] No[] N/A[X]
- 13.3 Have there been any changes made to any of the trust indentures during the year?

Yes[] No[] N/A[X]
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes[X] No[]
- 14.1a Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- 14.1b Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- 14.1c Compliance with applicable governmental laws, rules and regulations;
- 14.1d The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- 14.1e Accountability for adherence to the code.
- 14.11 If the response to 14.1 is no, please explain:
- 14.2 Has the code of ethics for senior managers been amended?

Yes[] No[X]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers?

Yes[] No[X]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?

Yes[] No[X]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

	1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
15.2001 0

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?

Yes[X] No[]
17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?

Yes[X] No[]
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?

Yes[X] No[]

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?

Yes[] No[X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers

\$.....0
- 20.12 To stockholders not officers

\$.....0
- 20.13 Trustees, supreme or grand (Fraternal only)

\$.....0
- 20.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers

\$.....0
- 20.22 To stockholders not officers

\$.....0
- 20.23 Trustees, supreme or grand (Fraternal only)

\$.....0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

Yes[] No[X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others

\$.....0
- 21.22 Borrowed from others

\$.....0
- 21.23 Leased from others

\$.....0
- 21.24 Other

\$.....0
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

Yes[] No[X]
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment

\$.....0
- 22.22 Amount paid as expenses

\$.....0
- 22.23 Other amounts paid

\$.....0
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes[X] No[]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$.....0

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03)

Yes[X] No[]
- 24.02 If no, give full and complete information, relating thereto
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?

Yes[] No[] N/A[X]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs.

\$.....0
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs.

\$.....0
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?

Yes[] No[] N/A[X]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?

Yes[] No[] N/A[X]

GENERAL INTERROGATORIES (Continued)

- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?

Yes[] No[] N/A[X]
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.

\$ 0

24.102 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.

\$ 0

24.103 Total payable for securities lending reported on the liability page.

\$ 0
- 25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03).

Yes[X] No[]
- 25.2 If yes, state the amount thereof at December 31 of the current year:

25.21 Subject to repurchase agreements

\$ 0

25.22 Subject to reverse repurchase agreements

\$ 0

25.23 Subject to dollar repurchase agreements

\$ 0

25.24 Subject to reverse dollar repurchase agreements

\$ 0

25.25 Pledged as collateral

\$ 0

25.26 Placed under option agreements

\$ 0

25.27 Letter stock or securities restricted as to sale

\$ 0

25.28 On deposit with state or other regulatory body

\$ 1,000,272

25.29 Other

\$ 0
- 25.3 For category (25.27) provide the following:

1	2	3
Nature of Restriction	Description	Amount
..... 0

- 26.1 Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes[] No[X]
- 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

Yes[] No[] N/A[X]
- If no, attach a description with this statement.
- 27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes[] No[X]
- 27.2 If yes, state the amount thereof at December 31 of the current year.

\$ 0
28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section I, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes[X] No[]
- 28.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1	2
Name of Custodian(s)	Custodian's Address
JP Morgan Asset Management	611 Woodward Avenue, Detroit, MI, 48226
FirstMerit PrivateBank	328 S. Saginaw Street, Flint, MI 48502

- 28.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1	2	3
Name(s)	Location(s)	Complete Explanation(s)
.....

- 28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?

Yes[X] No[]
- 28.04 If yes, give full and complete information relating thereto:

1	2	3	4
Old Custodian	New Custodian	Date of Change	Reason
Citizens Bank Wealth Management	FirstMerit PrivateBank	04/15/2013	Merger

- 28.05 Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1	2	3
Central Registration Depository Number(s)	Name	Address
111223	FirstMerit PrivateBank	328 S. Saginaw St., Flint, MI 48502
104234	JP Morgan Asset Management	611 Woodward Ave., Detroit, MI, 48226

- 29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b)(1)])?

Yes[X] No[]
- 29.2 If yes, complete the following schedule:

1	2	3
CUSIP #	Name of Mutual Fund	Book/Adjusted Carrying Value
..... 4812C1553	JPMorgan Equity Index Fund .....	..... 1,902,622
..... 922040100	Vanguard Instl Index Fd .....	..... 2,025,644
..... 4812C0100	JPMorgan Core Bond Fund .....	..... 2,732,041
..... 921921300	Vanguard Equity Income Fund .....	..... 13,036,927
..... 922031836	Vanguard Short-Term Investment Grade Fund ADM 539 .....	..... 1,011,960
29.2999 Total .....	.....	..... 20,709,194

GENERAL INTERROGATORIES (Continued)

29.3 For each mutual fund listed in the table above, complete the following schedule:

1	2	3	4
Name of Mutual Fund (from above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	Date of Valuation
JPMorgan Equity Index Fund	Apple, Inc.	57,079	12/31/2013
JPMorgan Equity Index Fund	Exxon Mobile Corp.	51,371	12/31/2013
JPMorgan Equity Index Fund	Google Inc., Class A	36,150	12/31/2013
JPMorgan Equity Index Fund	Microsoft Corp.	32,345	12/31/2013
JPMorgan Equity Index Fund	General Electric Co.	32,345	12/31/2013
Vanguard Instl Index Fd	Apple, Inc.	60,769	12/31/2013
Vanguard Instl Index Fd	Exxon Mobile Corp.	54,692	12/31/2013
Vanguard Instl Index Fd	Google, Inc.	38,487	12/31/2013
Vanguard Instl Index Fd	Microsoft Corp.	34,436	12/31/2013
Vanguard Instl Index Fd	General Electric Co.	34,436	12/31/2013
JPMorgan Core Bond Fund	US Treasury Bonds STRIPS	30,052	12/31/2013
JPMorgan Core Bond Fund	US Treasury Notes	24,588	12/31/2013
JPMorgan Core Bond Fund	US Treasury Notes	24,588	12/31/2013
JPMorgan Core Bond Fund	Residual Funding Corp. STRIPS	21,856	12/31/2013
JPMorgan Core Bond Fund	US Treasury STRIPS	19,124	12/31/2013
Vanguard Equity Income Fund	Johnson & Johnson	508,440	12/31/2013
Vanguard Equity Income Fund	Exxon Mobil Corp.	482,366	12/31/2013
Vanguard Equity Income Fund	Chevron Corp.	443,256	12/31/2013
Vanguard Equity Income Fund	Wells Fargo & Co.	443,256	12/31/2013
Vanguard Equity Income Fund	Microsoft Corp.	417,182	12/31/2013
Vanguard Short-Term Investment Grade Fund ADM539	US Treasury Note/Bond 1.5%	37,589	12/31/2013
Vanguard Short-Term Investment Grade Fund ADM539	US Treasury Note/Bond .625%	19,349	12/31/2013
Vanguard Short-Term Investment Grade Fund ADM539	US Treasury Note/Bond .625%	12,197	12/31/2013
Vanguard Short-Term Investment Grade Fund ADM539	US Treasury Note/Bond .375%	7,638	12/31/2013
Vanguard Short-Term Investment Grade Fund ADM539	US Treasury Note/Bond 2.5%	6,147	12/31/2013

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	48,092,217	48,073,215	(19,002)
30.2 Preferred stocks	0	0	0
30.3 Totals	48,092,217	48,073,215	(19,002)

30.4 Describe the sources or methods utilized in determining the fair values
Fair values are determined by current market values provided by the Company's investment custodians.

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?

Yes[] No[X]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?

Yes[] No[] N/A[X]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes[X] No[]

32.2 If no, list exceptions:

OTHER

33.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?

\$ 160,031

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1	2
Name	Amount Paid
Michigan Association of Health Plans	79,500
America's Health Insurance Plans	80,531

34.1 Amount of payments for legal expenses, if any?

\$ 92,443

34.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1	2
Name	Amount Paid
Williams Firm	32,414
Warner, Norcross & Judd	31,460

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any?

\$ 0

35.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

GENERAL INTERROGATORIES (Continued)

1 Name	2 Amount Paid
.....	..... 0

GENERAL INTERROGATORIES (Continued)

PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes[] No[X]

1.2 If yes, indicate premium earned on U.S. business only:

\$ 0

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$ 0

1.4 1.31 Reason for excluding:

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

\$ 0

1.5 Indicate total incurred claims on all Medicare Supplement insurance.

\$ 0

1.6 Individual policies - Most current three years:

1.61 Total premium earned

\$ 0

1.62 Total incurred claims

\$ 0

1.63 Number of covered lives

..... 0

All years prior to most current three years:

1.64 Total premium earned

\$ 0

1.65 Total incurred claims

\$ 0

1.66 Number of covered lives

..... 0

1.7 Group policies - Most current three years:

1.71 Total premium earned

\$ 0

1.72 Total incurred claims

\$ 0

1.73 Number of covered lives

..... 0

All years prior to most current three years:

1.74 Total premium earned

\$ 0

1.75 Total incurred claims

\$ 0

1.76 Number of covered lives

..... 0

2. Health Test

		1	2
		Current Year	Prior Year
2.1	Premium Numerator	490,400,752	505,081,873
2.2	Premium Denominator	490,400,752	505,081,873
2.3	Premium Ratio (2.1 / 2.2)	1.000	1.000
2.4	Reserve Numerator	56,895,219	66,220,197
2.5	Reserve Denominator	57,895,219	66,220,197
2.6	Reserve Ratio (2.4 / 2.5)	0.983	1.000

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes[] No[X]

3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

Yes[X] No[]

4.2 If not previously filed furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes[] No[] N/A[X]

5.1 Does the reporting entity have stop-loss reinsurance?

Yes[X] No[]

5.2 If no, explain:

5.3 Maximum retained risk (see instructions):

5.31 Comprehensive Medical

\$ 800,000

5.32 Medical Only

\$ 0

5.33 Medicare Supplement

\$ 0

5.34 Dental & Vision

\$ 0

5.35 Other Limited Benefit Plan

\$ 0

5.36 Other

\$ 0

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

Provider contracts provide for continuation of services and hold-harmless language. An insolvency rider is also in place.

7.1 Does the reporting entity set up its claim liability for provider services on a service date basis?

Yes[X] No[]

7.2 If no, give details:

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year

..... 7,071

8.2 Number of providers at end of reporting year

..... 7,479

9.1 Does the reporting entity have business subject to premium rate guarantees?

Yes[] No[X]

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months

..... 0

9.22 Business with rate guarantees over 36 months

..... 0

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts?

Yes[X] No[]

10.2 If yes:

10.21 Maximum amount payable bonuses

\$ 28,620,770

10.22 Amount actually paid for year bonuses

\$ 16,766,523

10.23 Maximum amount payable withholds

\$ 3,608,417

10.24 Amount actually paid for year withholds

\$ 1,370,507

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model,

Yes[] No[X]

11.13 An Individual Practice Association (IPA), or,

Yes[] No[X]

11.14 A Mixed Model (combination of above)?

Yes[X] No[]

11.2 Is the reporting entity subject to Minimum Net Worth Requirements?

Yes[X] No[]

11.3 If yes, show the name of the state requiring such net worth.

Michigan

11.4 If yes, show the amount required.

\$ 58,750,506

11.5 Is this amount included as part of a contingency reserve in stockholder's equity?

Yes[] No[X]

11.6 If the amount is calculated, show the calculation.

The greater of \$1,500,000, four percent of subscription revenue, three month's uncovered expenditures or RBC after covariance.

12. List service areas in which the reporting entity is licensed to operate:

1
Name of Service Area
Arenac County, MI
Bay County, MI
Saginaw County, MI
Tuscola County, MI
Shiawassee County, MI
Genesee County, MI
Lapeer County, MI
Oakland County, MI

GENERAL INTERROGATORIES (Continued)

1
Name of Service Area
Livingston County, MI
Clare County, MI
Macomb County, MI
St. Clair County, MI
Wayne County, MI
Washtenaw County, MI
Iosco County, MI
Huron County, MI
Portions of Gratiot County, MI
Portions of Montcalm County, MI
Portions of Sanilac County, MI
Portions of Midland County, MI
Portions of Isabella County, MI
Portions of Gladwin County, MI

13.1 Do you act as a custodian for health savings accounts?

Yes[] No[X]

13.2 If yes, please provide the amount of custodial funds held as of the reporting date:

\$ 0

13.3 Do you act as an administrator for health savings accounts?

Yes[] No[X]

13.4 If yes, please provide the balance of the funds administered as of the reporting date:

\$ 0

FIVE-YEAR HISTORICAL DATA

	1 2013	2 2012	3 2011	4 2010	5 2009
BALANCE SHEET (Pages 2 and 3)					
1. TOTAL Admitted Assets (Page 2, Line 28)	155,537,271	174,859,779	170,266,601	159,428,525	164,672,096
2. TOTAL Liabilities (Page 3, Line 24)	71,078,244	78,938,008	74,159,323	68,305,417	78,295,385
3. Statutory surplus	58,750,506	55,168,384	50,423,670	45,295,508	41,385,702
4. TOTAL Capital and Surplus (Page 3, Line 33)	84,459,027	95,921,771	96,107,278	91,123,108	86,376,711
INCOME STATEMENT (Page 4)					
5. TOTAL Revenues (Line 8)	490,400,752	505,081,873	481,337,427	444,026,530	435,591,417
6. TOTAL Medical and Hospital Expenses (Line 18)	446,389,497	446,060,444	431,151,234	398,589,787	391,535,899
7. Claims adjustment expenses (Line 20)	9,267,265	7,930,492	6,763,802	6,391,413	10,253,523
8. TOTAL Administrative Expenses (Line 21)	45,850,278	42,472,933	38,687,151	36,856,579	31,400,852
9. Net underwriting gain (loss) (Line 24)	(11,164,732)	8,101,997	4,735,240	2,188,751	(298,857)
10. Net investment gain (loss) (Line 27)	3,946,439	2,088,802	3,962,647	916,268	944,498
11. TOTAL Other Income (Lines 28 plus 29)	253,143	3,802	5,747	4,971	6,592
12. Net income or (loss) (Line 32)	(6,965,150)	10,194,601	8,703,634	3,109,990	652,233
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	(16,839,756)	8,745,272	28,537,664	(14,699,619)	1,863,257
RISK-BASED CAPITAL ANALYSIS					
14. TOTAL Adjusted Capital	84,459,027	95,921,771	96,107,278	91,123,108	86,376,711
15. Authorized control level risk-based capital	29,375,253	27,584,192	25,211,835	22,647,754	20,692,851
ENROLLMENT (Exhibit 1)					
16. TOTAL Members at End of Period (Column 5, Line 7)	79,157	74,289	73,182	73,890	77,168
17. TOTAL Members Months (Column 6, Line 7)	911,335	894,276	883,478	883,361	946,291
OPERATING PERCENTAGE (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. TOTAL Hospital and Medical plus other non-health (Lines 18 plus Line 19)	91.0	88.3	89.6	89.8	89.9
20. Cost containment expenses	1.1	0.9	0.7	0.8	1.4
21. Other claims adjustment expenses	0.8	0.7	0.7	0.7	0.9
22. TOTAL Underwriting Deductions (Line 23)	102.3	98.4	99.0	99.5	100.1
23. TOTAL Underwriting Gain (Loss) (Line 24)	(2.3)	1.6	1.0	0.5	(0.1)
UNPAID CLAIMS ANALYSIS					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5)	61,319,964	58,021,502	55,400,521	62,136,735	62,146,597
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)]	60,430,574	61,076,558	53,594,297	62,353,094	62,387,153
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
26. Affiliated bonds (Sch. D Summary, Line 12, Column 1)	0	0	0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1)	0	0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1)	51,999,540	44,028,234	43,495,693	14,375,513	13,051,590
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)	0	0	0	0	0
30. Affiliated mortgage loans on real estate	0	0	0	0	0
31. All other affiliated	0	0	0	33,624,177	23,973,914
32. TOTAL of Above Lines 26 to 31	51,999,540	44,028,234	43,495,693	47,999,690	37,025,504
33. TOTAL investment in parent included in Lines 26 to 31 above	0	0	0	0	0

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes[] No[] N/A[X]

If no, please explain::

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS
ALLOCATED BY STATES AND TERRITORIES

		1	Direct Business Only							
State, Etc.		Active Status	2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Plan Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/ Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit - Type Contracts
1.	Alabama (AL)	N	0	0	0	0	0	0	0	0
2.	Alaska (AK)	N	0	0	0	0	0	0	0	0
3.	Arizona (AZ)	N	0	0	0	0	0	0	0	0
4.	Arkansas (AR)	N	0	0	0	0	0	0	0	0
5.	California (CA)	N	0	0	0	0	0	0	0	0
6.	Colorado (CO)	N	0	0	0	0	0	0	0	0
7.	Connecticut (CT)	N	0	0	0	0	0	0	0	0
8.	Delaware (DE)	N	0	0	0	0	0	0	0	0
9.	District of Columbia (DC)	N	0	0	0	0	0	0	0	0
10.	Florida (FL)	N	0	0	0	0	0	0	0	0
11.	Georgia (GA)	N	0	0	0	0	0	0	0	0
12.	Hawaii (HI)	N	0	0	0	0	0	0	0	0
13.	Idaho (ID)	N	0	0	0	0	0	0	0	0
14.	Illinois (IL)	N	0	0	0	0	0	0	0	0
15.	Indiana (IN)	N	0	0	0	0	0	0	0	0
16.	Iowa (IA)	N	0	0	0	0	0	0	0	0
17.	Kansas (KS)	N	0	0	0	0	0	0	0	0
18.	Kentucky (KY)	N	0	0	0	0	0	0	0	0
19.	Louisiana (LA)	N	0	0	0	0	0	0	0	0
20.	Maine (ME)	N	0	0	0	0	0	0	0	0
21.	Maryland (MD)	N	0	0	0	0	0	0	0	0
22.	Massachusetts (MA)	N	0	0	0	0	0	0	0	0
23.	Michigan (MI)	L	265,275,359	205,967,275	0	19,694,942	0	0	490,937,576	0
24.	Minnesota (MN)	N	0	0	0	0	0	0	0	0
25.	Mississippi (MS)	N	0	0	0	0	0	0	0	0
26.	Missouri (MO)	N	0	0	0	0	0	0	0	0
27.	Montana (MT)	N	0	0	0	0	0	0	0	0
28.	Nebraska (NE)	N	0	0	0	0	0	0	0	0
29.	Nevada (NV)	N	0	0	0	0	0	0	0	0
30.	New Hampshire (NH)	N	0	0	0	0	0	0	0	0
31.	New Jersey (NJ)	N	0	0	0	0	0	0	0	0
32.	New Mexico (NM)	N	0	0	0	0	0	0	0	0
33.	New York (NY)	N	0	0	0	0	0	0	0	0
34.	North Carolina (NC)	N	0	0	0	0	0	0	0	0
35.	North Dakota (ND)	N	0	0	0	0	0	0	0	0
36.	Ohio (OH)	N	0	0	0	0	0	0	0	0
37.	Oklahoma (OK)	N	0	0	0	0	0	0	0	0
38.	Oregon (OR)	N	0	0	0	0	0	0	0	0
39.	Pennsylvania (PA)	N	0	0	0	0	0	0	0	0
40.	Rhode Island (RI)	N	0	0	0	0	0	0	0	0
41.	South Carolina (SC)	N	0	0	0	0	0	0	0	0
42.	South Dakota (SD)	N	0	0	0	0	0	0	0	0
43.	Tennessee (TN)	N	0	0	0	0	0	0	0	0
44.	Texas (TX)	N	0	0	0	0	0	0	0	0
45.	Utah (UT)	N	0	0	0	0	0	0	0	0
46.	Vermont (VT)	N	0	0	0	0	0	0	0	0
47.	Virginia (VA)	N	0	0	0	0	0	0	0	0
48.	Washington (WA)	N	0	0	0	0	0	0	0	0
49.	West Virginia (WV)	N	0	0	0	0	0	0	0	0
50.	Wisconsin (WI)	N	0	0	0	0	0	0	0	0
51.	Wyoming (WY)	N	0	0	0	0	0	0	0	0
52.	American Samoa (AS)	N	0	0	0	0	0	0	0	0
53.	Guam (GU)	N	0	0	0	0	0	0	0	0
54.	Puerto Rico (PR)	N	0	0	0	0	0	0	0	0
55.	U.S. Virgin Islands (VI)	N	0	0	0	0	0	0	0	0
56.	Northern Mariana Islands (MP)	N	0	0	0	0	0	0	0	0
57.	Canada (CAN)	N	0	0	0	0	0	0	0	0
58.	Aggregate other alien (OT)	X X X	0	0	0	0	0	0	0	0
59.	Subtotal	X X X	265,275,359	205,967,275	0	19,694,942	0	0	490,937,576	0
60.	Reporting entity contributions for Employee Benefit Plans	X X X	0	0	0	0	0	0	0	0
61.	TOTAL (Direct Business)	(a) ... 1	265,275,359	205,967,275	0	19,694,942	0	0	490,937,576	0

DETAILS OF WRITE-INS										
5801.		X X X	0	0	0	0	0	0	0	0
5802.		X X X	0	0	0	0	0	0	0	0
5803.		X X X	0	0	0	0	0	0	0	0
5898.	Summary of remaining write-ins for Line 58 from overflow page	X X X	0	0	0	0	0	0	0	0
5899.	TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X	0	0	0	0	0	0	0	0

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

(a) Insert the number of L responses except for Canada and Other Alien.
Explanation of basis of allocation of premiums by states, etc.: All premiums are written in the State of Michigan

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER
MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART



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